

2nd Annual Report
FY 2013-14

CONCOR AIR LIMITED

(A subsidiary of CONCOR)

BOARD OF DIRECTORS

SHRI ANIL KUMAR GUPTA	CHAIRMAN & CMD/CONCOR
SHRI YASH VARDHAN	DIRECTOR & D(IM&O)/ CONCOR
SMT. P. ALLI RANI	DIRECTOR & D(F)/ CONCOR
SHRI ARUN KUMAR SHRIVASTAVA	DIRECTOR & ED (Engg.)/CONCOR
SHRI SRINIWAS MUDGERJKAR	DIRECTOR & CGM (WR)/ CONCOR
SHRI DEEPAK KAPOOR	DIRECTOR & GGM(D&L)/ CONCOR

STATUTORY AUDITORS

M.L. GARG & CO.
K-60, 2ND FLOOR, CONNAUGHT PLACE
OPP. PVR PLAZA, NEW DELHI- 110001

REGD. OFFICE

CONCOR BHAWAN, C-3,
MATHURA ROAD,
NEW DELHI- 110076

BANKERS

VIJAYA BANK
YES BANK

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NOTICE

Notice is hereby given that the first Annual General Meeting of the Shareholders of the Company will be held as under:

Day : Monday
Date : 01.09.2014
Time : 16:00 Hrs.
Venue : Conference Room, CONCOR Bhawan, C-3, Mathura road,
New Delhi - 110076.

to transact, with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS:

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014, Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anil Kumar Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Arun Kumar Shrivastava, who retires by rotation and being eligible, offers himself for reappointment.
4. To take note of the appointment of M/s. M.L. Garg & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution :

"RESOLVED that the appointment of M/s. M.L. Garg & Co., Chartered Accountants, New Delhi Statutory Auditors of the Company for the financial year 2013-14 in terms of the order no. CA.V/COY/CENTRAL GOVERNMENT/CONAIR(1)/649 dated 23.08.2013 of Comptroller & Auditor General of India be and is hereby noted."

" RESOLVED FURTHER THAT the Board of directors of the company be and is hereby authorized to determine and approve the fees for the statutory audit or any other audit as may be required under any law for the time being in force for the Financial year 2013-14 and onwards.

SPECIAL BUSINESS:

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:

5. "RESOLVED that the appointment of Shri Shriniwas Mudgerikar w.e.f. 23.08.2013, by the Board of directors be and is hereby confirmed and shall be liable to retire by rotation."

SPECIAL RESOLUTION

6. "RESOLVED that the borrowing of Rs. 125 crores from CONTAINER CORPORATION OF INDIA, as per terms and conditions of the loan agreement executed on 22.04.2014 be and is hereby approved."

By order of Board of
CONCOR AIR LIMITED

Date : 23.08.2014
Place : New Delhi

(RAJESH KUMAR)
(Company Secretary)

NOTES:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and proxy need not be a Member.
- (b) The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.

EXPLANATORY STATEMENT

Item No.5

As per the provisions of clause 86(b) of the Articles of Association of the company, subject to the provisions of the Companies Act, 2013 and government guidelines in force, the members of the Board of the company shall be appointed by CONCOR who shall also determine the period for which they may hold their office.

Accordingly, CONCOR has appointed Shri Sriniwas Mudgerikar, CGM(WR)/ CONCOR on the Board of the company.

In terms of Section 152 of the Companies Act, 2013, the above appointment is required to be confirmed in this Annual General Meeting.

None of the Directors, except Shri Srinivas Mudgerikar is concerned or interested in the resolution.

ITEM NO. 6

In terms of agreement with MUMBAI INTERNATIONAL AIRPORT LIMITED (MIAL) for international cargo concession, Container Corporation of India Ltd., the holding company has disbursed Rs. 125 crores as bid security and performance security. The proposal to take up the concession and disbursement of loan of Rs. 125 crores was approved by CONCOR's Board of Directors in its meeting dated 01.11.2013 and the agreement in this regard has been signed between CONCOR and CAL on 22.04.2014 which is available for inspection at the Regd. Office of the company.

None of the Directors is interested in the resolution.

CONCOR AIR LIMITED (CAL)
(A Wholly owned subsidiary of CONCOR)

Directors' Report

To the shareholders

Your Directors are pleased to present their report on the business and operations of the Company together with the Audited Accounts for the financial year ending 31st March, 2014.

OPERATIONAL REVIEW

- ❖ The company was incorporated on 24th July 2012, and got certificate of commencement of business on 8th March 2013.
- ❖ The company has executed the agreement with Mumbai International Airport P. Ltd. (MIAL) for Concession for Domestic Cargo Common User Facility on 18/02/13. The company commenced Domestic Air cargo handling operation through CUT, Marol from 01/05/2013.
- ❖ The company has signed concession agreement with MIAL on 30th Nov 2013 and took over Operation and Management for International air cargo w.e.f 18/02/2014. The concession period is for 3 years i.e from 18/02/2014 till 17/02/2017.
- ❖ The land at Domestic Airport, earmarked for construction of Santacruz Air Cargo Terminal (SACT) has been taken over by company on 11/03/13. Construction activity has commenced from August 2013 and the completion is slated for Feb 2015.

FINANCIAL REVIEW

The company has incurred a revenue expenditure of Rs.41.33crores (including finance expenses) and earned Rs.41.43 crores income. The company earned profit of Rs.0.10 crore for the F.Y: 2013-14. The company has incurred capital expenses of Rs.6.17 crores towards tangible assets, intangible assets and capital work in progress during the year.

CAPITAL STRUCTURE

The company has been incorporate with an Authorized Equity Share Capital of Rs.

50 Crores and Issued, Subscribed & Paid up Equity Share Capital of Rs. 36.65 Crore, with Container Corporation of India Ltd. (CONCOR) holding 100% of the Paid up Equity Share Capital of during the financial year 2013-14.

SECURED LOANS/ UNSECURED LOAN

Unsecured loan of Rs.125 crores was taken during the year from CONCOR.

PARTICULARS OF EMPLOYEES

The information required in accordance with the provisions of Section 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by Company (Particulars of Employees) Rules, 2011 is Nil, as no employee has drawn remuneration in excess of amount specified in said Rules.

HUMAN RESOURCE MANAGEMENT

CONCOR has sanctioned seven officer/staff to be deputed w.e.f. 01.05.2013 apart from CEO, Associate Finance and Company Secretary, all on secondment basis for Domestic Air Cargo operations. Additional 5 officers/staff were deployed for International Air Cargo operations from sanctioned strength of 8 staff, apart from posting of DGM for international cargo operations.

PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The provisions in this respect are not applicable.

AUDITORS

M/s. M.L. Garg & Co., Chartered Accountants, New Delhi has been appointed as Statutory Auditors of the Company for the financial year 2013-14 in terms of the order no. CA.V/COY/CENTRAL GOVERNMENT/CONAIR(1)/649 dated 23.08.2013 of Comptroller & Auditor General of India be and is hereby noted.”

BOARD OF DIRECTORS

The Board met 5 (Five) times for transacting business of the Company during the financial year 2013-14.

Shri Srinivas Mudgerikar was appointed as director of the company w.e.f. 23.08.2014 in place of Shri Arvind Bhatnagar.

The following Directors' were on Board till the date of the Report :-

- (1) Shri Anil Kumar Gupta, MD, CONCOR & Chairman/CAL;
- (2) Shri Yash Vardhan, Director (IM & O)/CONCOR & Director/CAL;
- (3) Ms. P. Alli Rani, Director (Finance)/CONCOR & Director/CAL;
- (4) Shri Srinivas Mudgerikar CGM/WR & Director/CAL;
- (5) Shri Arun Shrivastava, GGM(Engg.)/CONCOR & Director/ CAL;
- (6) Shri Deepak Kapoor, GGM(L&A)/ CONCOR & Director /CAL

RETIREMENT OF DIRECTORS BY ROTATION

In terms of provisions of the Companies Act, 1956, Shri Anil Kumar Gupta & Shri Arun Shrivastava, GGM(Engg.)/CONCOR & Director/ CAL; Directors, are liable to retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for the year under review;

- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

CODE OF CONDUCT

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of Model Code of Conduct prescribed in the guidelines issued by DPE for the financial year ended on March 31st, 2014.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance is enclosed.

CONCLUSION

Your Company acknowledges the support and understanding extended by Container Corporation of India Limited, Bankers and Auditors of the Company.

For and on behalf of the Board of Directors

(P. Alli Rani)
Director

(Yash Vardhan)
Director

Place : New Delhi
Date : 15.05.2014

Annexure to the Directors' Report

CORPORATE GOVERNANCE REPORT

CONCOR Air Limited (CAL) is a Wholly Owned Subsidiary of Container Corporation of India Ltd. (CONCOR) to carry on mainly the business of Multimodal transport operators.

BOARD OF DIRECTORS

In terms of Article 86 (a) & 86(b) of Articles of Association of Company, MD / CONCOR is the ex-officio Part-time Chairman on the Board of CAL and all other members of Board are nominated by CONCOR, subject to the provisions of Companies Act, 1956 and Govt. guidelines in force.

The Board of Directors of Company presently consists of Six Part-time Directors including Chairman (Ex-officio), nominated by CONCOR (Holding company). The appointment of independent directors by CONCOR, the holding company is in process.

The Board met 5 (Five) times for transacting business during the financial year 2011-12 on the following dates :-

<u>Board Meeting No.</u>	<u>Board Meeting Dates</u>
4	20 th May, 2013
5	23 rd August, 2013
6	30 th December, 2013
7	11 th February, 2014
8	15 th March, 2014

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of

Model Code of Conduct prescribed in the guidelines for Corporate Governance by the Department of Public Enterprises (DPE) for the financial year ended March 31st, 2014.

The Composition of Directors, attendance at the Board Meetings during the year, the last Annual General Meeting, the number of other directorships and committee memberships are given below :-

Sl. No.	Category of Directorship	Name of Director	No. of Board Mtgs Attended	No. of Other		No. of Other	
				Committee Membership/ Chairman- Ship	Directorship / Chairma Ship		
(I)	Part-time Ex-Officio/Non-Executive Chairman						
1.	Managing Director, CONCOR	Sh Anil Kumar Gupta	Five	One	One	Four	Two
(II)	Part-time /Non-Executive Directors						
2.	Dir. (Intl. Mkg & Ops.)	Sh. Yash Vardhan	Five	Three	Nil	Six	Nil
3.	Dir. (Finance)/CONCOR	Ms. P. Alli Rani	Four	Six	Four	Five	Nil
4.	ED(Dom. Div.)/CONCOR	Sh. Arvind Bhatnagar	One	Nil	Nil	One	Nil
5.	GGM(Engg.)/CONCOR	Sh. Arun Kumar Shrivastava	Three	Nil	Nil	Nil	Nil
6.	GGM(L&A)/CONCOR	Sh. Deepak Kapoor	Five	Nil	Nil	One	Nil
7.	CGM/WR	Sh. Srinivas Mudgerikar	Two	Nil	Nil	Nil	Nil

Notes: 1. Shri Srinivas Mudgerikar was appointed as director of the company w.e.f. 23.08.2014 in place of Shri Arvind Bhatnagar.

2. All directors except Shri Arun Kumar Shrivastava attended 1st AGM .

AUDIT COMMITTEE

The constitution of Audit Committee is as under:

Smt. P. Alli Rani, Director - Chairperson
 Shri Deepak Kapoor, Director - Member
 Shri Srinivas Mudgerikar - Member

The meetings of the audit committee were held on 23.08.2013, 30.12.2013 & 11.02.2014

The role of audit committee is defined in the DPE guidelines on Corporate Governance.

Remuneration Committee & Policy

No remuneration is paid to any director as they are nominated by CONCOR, holding company. Hence, no Remuneration Committee has been constituted.

GENERAL BODY MEETINGS

AGM of Current Year

Date : 01.09.2014
Time : 16:00 Hrs.
Venue : Conference Hall, Container Corporation of India Ltd., CONCOR Bhawan, C-3, Mathura Road, Opposite Apollo Hospital, New Delhi – 110076.

AGM of Previous Year

Date : 23rd August, 2013
Time : 12:30 Hrs.
Venue : Conference Hall, Container Corporation of India Ltd., CONCOR Bhawan, C-3, Mathura Road, Opposite Apollo Hospital, New Delhi – 110076.

DISCLOSURES

- (i) Transactions with related parties as per requirements of Accounting Standard (AS -18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in notes forming parts of accounts.

- (ii) There were no instances of penalties / strictures imposed on the Company by any statutory authority.
- (iii) Compliance with the requirement of these guidelines are detailed in this report.
- (iv) There is no employee/ officer on the roll of CAL and officers/ employees on secondment basis from CONCOR are only working.
- (v) No Expenditure has been debited in the Books of Accounts, which is not for the purpose of business.
- (vi) The Company has not incurred any expense which is personal in nature and incurred for the Board of Directors and Top Management.

MEANS OF COMMUNICATION

Financial Results : The financial results for FY 2013-14 forms part of Annual Report.

Annual Report : Second Annual Report containing inter-alia Audited Annual Accounts, Directors' Report, Auditors' Report and other information is circulated to members and others entitled thereto. Management Discussion & Analysis report forms a part of the Annual report.

RISK MANAGEMENT

Risk management is in place to help the management in achieving performance and profitability targets and to ensure effective reporting and compliance with laws and regulations, to avoid damage to the entity's reputation and associated consequences. Procedures are in place to ensure the integration and alignment of the risk management system with the corporate and operational objectives and also that risk management is undertaken as a part of normal business practice and not as a separate task at set times.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure & Developments :

Air Cargo industry is witnessing challenging times in light of Global recession. India in particular, undergoing tremendous changes in terms of infrastructure for Air Cargo facilities, arrival of new airlines in the domestic sector and shifting trends towards organized Logistics sector. Overall domestic air cargo business has shown a positive change in FY 2013-14. With new airlines set to enter the sector the domestic sector is expected to show growth in the current financial year 2014-15 also.

2. A SWOT analysis:

Strength: The biggest strength of business is high frequency of flights connecting all major cities. Subsequently a large number of International airlines (43 airlines) are operating at Mumbai International airport. Out of this CAL is handling 32 airlines.

Weaknesses: That the business is still in an unorganized form is the biggest weakness. Cargo handling still lacks preference in terms of airport infrastructure. Trade preference for cost over quality is another deterrent for Air Cargo industry.

Opportunities: Rising trend of e-commerce, requiring faster deliveries, arrival of new airlines with greater cargo capacity and competitive pricing.

Threats: Improved infrastructure of roads, diversion of cargo to rail and other cost efficient modes. Competition from other players is always an impending threat.

4. **Segment-wise or Product-wise Performance:** The company has performed well in domestic cargo operations and had registered a net profit. International cargo operations is still in the initial stages after takeover from 18/02/2014 and its profitability can be ascertained after stabilizing the processes.

5. Risks & Concerns: Financial health of Carriers (Airlines), decrease in the no of passengers, high tariffs at New Cargo terminals are few of the concerns for the Air Cargo business in times to come.

6. Internal Control Systems and their Adequacy: The company has appointed internal auditors for domestic and International cargo operations.

The financial information in brief is as under:

	Rs. (in Crores)
UNSECURED LOAN	125.00
Fixed Assets	7.75
Terminal Rights -Domestic	1.71
- International	2.57
CWIP	3.54
Inventory	Nil
Sundry Debtors (Trade Receivables)	7.99
Security deposit given to MIAL	130
Cash & Bank	Rs.33.30
Income	Rs. 41.43
Expenses (including finance expenses)	Rs. 41.33
Net Profit/(Loss)	Rs. 0.10

For and on behalf of the Board of Directors

(P. Alli Rani)

Director

Place : New Delhi Date: 15.05.2014

(Yash Vardhan)

Director

Addendum to Directors' Report

Pointwise reply to the Emphasis of Matters and Other Matters as per the Independent Auditors Report given by Statutory Auditor, M/s M.L.Garg & Co.

Points in the Statutory Auditor's Report	Emphasis of Matters	Management Reply.
Point no.1 of Emphasis of Matters in the Independent Auditors Report	In note No. 10 of statement of Profit and Loss regarding "other income", wherein interest on delayed payments from trade receivables amounting to Rs.20,40,946.00 has been accounted for on accrual basis, though such interest have been received or confirmed by the sundry debtors. The ultimate outcome of the above matter cannot presently be determined although the company is of the view that such amounts are recoverable and hence no provision is required there against.	Management is of firm belief that the amount of Rs.20,46,946.00 is recoverable and all efforts are being made to recover this amount. CONCOR Air Limited being a PSU and 100% subsidiary of CONCOR will invoke appropriate measures for realization of shareholders fund. In case of non realization of this amount, the position will be reviewed at the end of six months.
Point no.2 of Emphasis of Matters in the Independent Auditors Report	Note No 4, "Current Liabilities" in Balance Sheet under the head "Trade Payables" wherein the majority of expenses of International Cargo operations have been provided for in the books of account on the basis of the cost sheet prepared and the same is pending for verification and approval from the competent authority. The provisions and estimates have been considered on the basis of the cost sheet prepared and forwarded to Corporate Office. The risks of material differences, if any, cannot be determined.	The cost statement given by MIAL to CAL contains list of 87 vendor contracts and other administrative expenses. These vendor contracts have been individually analyzed and forwarded to Corporate Office for getting in principle approval. However, due to the complexity and nature of operations and subsequent clarifications sought, the cost statement could not be finalized. Since, there was no base for CONCOR Air Limited to account for the expenses, therefore, the projected cost given by MIAL in their cost statement was provisioned in the books of accounts. Bills are processed on a case to case basis after due checks and verification, on the actual work done.
OTHER MATTERS		
Point no.1 of Other Matters in the Independent Auditors Report	The insurance cover for the international cargo operations has not been taken post takeover of international cargo facility. The international cargo operations appear to be at risk in absence of an appropriate insurance cover.	The process for obtaining insurance cover is being initiated and all possible efforts are being done to provide insurance coverage of the facility as early as possible.
Point no.2 of Other Matters in the	The common facility of International cargo complex facility is being used by	A detailed costing was done taking into account the actual deployment of manpower for the

Independent Auditors Report	other custodian and concessionaires . However , the company is maintaining such common facility, though all revenue from such custodian and concessionaires are accruing to "Mumbai International Airport Private Ltd.", in accordance with the concession agreement. The company is in the process of verifying such expenses for apportionment and recovery, and hence no impact is considered necessary in the accounts of the company.	facility pertaining to the cargo facility managed by CAL. For utilities also, similar exercise was done. However, cases where there are possibilities of overlapping, MIAL is being consulted for same.
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AKHIL ROHATGI
M.Com. L.L.B. F.C.S.

AKHIL ROHATGI & COMPANY.
Company Secretaries
21, Shamnath Marg, Civil Lines,
Delhi – 110054.
Phone : 23926504, 9810690633
Email : rohatgi_co_secy@yahoo.co.in

CERTIFICATE

To the Members of
CONCOR AIR LIMITED

We have examined the compliance of conditions of Corporate Governance by CONCOR AIR LIMITED for the year ended 31st March, 2014 as stipulated in the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines on corporate governance issued by the 'Department of Public Enterprises'. However, during the period under scrutiny the Audit Committee was comprised of non Independent Directors as there was no Independent Director on the Company's Board. It has been mentioned in the Corporate Governance Report that the appointment of Independent Directors by CONCOR, the Holding Company, is in process.

We further state such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Akhil Rohatgi & Co.

Place New Delhi
Date 8th May 2014

(Akhil Rohatgi)
Company Secretary in Practice
F.C.S: 1600
C.P. No. 2317

15a

CONCOR AIR LTD

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	366,300,000.00	366,300,000.00
(b) Reserves and surplus	2	1,949,131.36	566,441.00
		<u>368,049,131.36</u>	<u>367,066,441.00</u>
(2) Non-current liabilities			
(a) Long Term Borrowings	3	1,290,000,000.00	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		4,014,219.00	-
(d) Long term provisions		-	-
		<u>1,294,014,219.00</u>	<u>-</u>
(3) Current liabilities			
(a) Trade payables	4	95,956,055.30	-
(b) Other current liabilities		125,824,743.42	1,214,073.00
(c) Short-term provisions		728,000.00	310,695.00
		<u>222,508,797.72</u>	<u>1,634,770.00</u>
	TOTAL	<u>1,844,669,148.08</u>	<u>368,691,211.00</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	5	1,965,388.31	-
(ii) Intangible assets		40,574,297.00	17,143,881.00
(iii) Capital work-in-progress		35,354,120.62	1,112,530.00
(iv) Intangible assets under development		-	-
(b) Non-current investments			
(a) Deferred Tax Assets		409,154.00	-
(c) Long-term loans and advances	6	1,300,000,000.00	50,000,000.00
(d) Other non-current assets	7	-	3,558,210.00
		<u>1,377,902,969.93</u>	<u>71,614,621.00</u>
(2) Current assets			
(a) Inventories	8	-	-
(b) Trade receivables		79,982,477.91	-
(c) Cash and bank balances		332,972,465.33	296,446,533.00
(d) Short-term loans and advances		25,072,689.77	104,677.00
(e) Other current assets		14,631,554.14	428,380.00
		<u>466,666,178.15</u>	<u>296,976,890.00</u>
	Total	<u>1,844,669,148.08</u>	<u>368,691,211.00</u>

See accompanying notes forming part of the financial statements

(P. All) Hansi
Director

Rajesh Kumar
Company Secretary
Date: 18.05.2014
Place: New Delhi

Neel Vardhan
Director

R.K. Vasudevan
Dr. Manager (Finance)

As per our report of even date
For M.L. Garg & Co.
Chartered Accountants
FIRM-0016048

Manish K. Garg, FCA
(Partner)
Mem. No. -004008





CORCOR AIR LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014

Particulars	Note No.	31st March 2014	31st March 2013
I. Revenue from operations	9	388,460,397.42	
II. Other Income	10	25,864,893.52	1,005,487.00
III. Total Revenue (I + II)		414,325,290.95	1,005,487.00
IV. Expenses:			
Terminal & Other Service Charges	11	281,558,003.87	
Employee benefit expenses	12	9,442,776.00	
Depreciation and amortisation expense		2,400,276.00	
Other expenses	13	65,675,716.52	128,351.00
Total expenses		359,076,766.39	128,351.00
V. Profit before exceptional and extraordinary items and tax (III-IV)		55,248,524.56	877,136.00
VI. Finance Expenses	14	54,280,082.00	
VII. Exceptional items			
VIII. Profit before extraordinary items and tax (V - VI)		1,298,536.36	877,136.00
IX. Extraordinary items			
X. Profit before tax (VII - VIII)		1,298,536.36	877,136.00
XI. Tax expenses:			
(1) Current tax		7,25,000.00	310,695.00
(2) Deferred tax liability/(asset)		(400,154.00)	-
(3) Tax adjustment for earlier year(s)			-
XII. Profit/(Loss) for the period from continuing operations (X - XI)		682,690.36	566,441.00
XIII. Profit/(Loss) from discontinuing operations			
XIV. Tax expense of discontinuing operations			
XV. Profit/(Loss) from Discontinuing operations (after tax) (XIII - XIV)			
XVI. Profit/(Loss) for the period (XII + XIV)		682,690.36	566,441.00
XVII. Earnings per equity share:			
(1) Basic		0.03	0.03
(2) Diluted		0.03	0.03

See accompanying notes forming part of the financial statements

(P. All Hand)
Director

Rajesh Kumar
Rajesh Kumar
Company Secretary
Date: 15.05.2014
Place: New Delhi

(Handwritten Signature)
Director

(Handwritten Signature)
S.K. Vasudevan
Sr. Manager (Finance)

As per our report of audit date.
For M.L. Garg & Co.
Chartered Accountants
FIR-0016043
Mem. No. - 09928

(Handwritten Signature)
M.L. GARG, FCA
(Partner)
M.No. 096237

CONCOR AIR LTD.

Cash Flow Statement for the year ended 31.3.2014

A CASH FLOW FROM OPERATING ACTIVITIES	2013-2014	2012-2013
Net Profit Before Tax	1,298,536.26	877,136
Adjustments for:		
Depreciation	2,940,276.26	-
Preliminary Expenses paid	3,394,310.00	-
Deferred Revenue Expenditure	-	-
(Profit)/Loss on sale of Assets	-	-
Interest & Finance Charges	34,089,992.00	-
Interest on FD	(21,746,902.44)	(1,005,487)
Dividend Income	-	(1,005,487)
Operating Profit before Working Capital Changes	29,864,101.87	(128,237)
Adjustments for:		
Decrease/(Increase) in Receivables	(133,106,603.82)	(320,851)
Decrease/(Increase) in Inventories	-	-
Decrease/(Increase) in Payables	224,395,246.72	1,321,770.00
Cash generated from operations	131,052,544.77	852,781
Income Tax paid	(25,000.00)	(50,893)
Net Cash flow from Operating activities	128,579,492.87	555,867
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(81,897,681.90)	(18,258,471)
Mutual Fund	-	-
Sale of Fixed Assets	-	-
Preliminary Expenses paid	-	(5,354,216)
Increase in Advances & others	(1,250,000,000.00)	(92,000,000)
Interest on FD	21,746,902.44	1,005,487
Dividend Income	-	-
Net Cash used in Investing activities	(1,289,996,779.34)	(79,607,190)
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	346,500.00
Proceeds from Long term Borrowings	1,250,000,000.00	-
Interest paid	(34,089,992.00)	-
Net Cash used in Financing activities	1,195,910,008.00	346,500.00
Net Increase in Cash & Cash Equivalents	(973,317,184.47)	296,446,533
Cash and Cash equivalents as at 31.03.2013	296,446,533.00	296,446,533.00
Cash & Cash Equivalents	As on 31.3.2014	As on 31.3.2013
Cash in Hand	9,410.00	-
Cash at Bank	852,973,209.47	296,446,533
Cash & Cash equivalents as stated	862,382,619.47	296,446,533.00


 (FDRI Head)
 Director
 Rajesh Kumar
 Company Secretary
 Date: 18.08.2014
 Place: New Delhi


 (Cash Controller)
 Director
 S.R. Vasudevan
 Sr. Manager (Finance)

As per our report of same date
 For M.L. Garg & Co.
 Chartered Accountants
 FNR-0016048
 M.L. Garg, FCA
 (Partner)
 Mem. No. 096228



**CONCOR AIR LTD****NOTE 1: SHARE CAPITAL**

	As at 31st March, 2014	As at 31st March, 2013
Authorized share capital		
(50,000,000 equity shares of Rs. 10 each with voting rights)	500,000,000.00	500,000,000.00
	<u>500,000,000.00</u>	<u>500,000,000.00</u>
Issued, Subscribed & Paid-up share capital		
(36,650,000 (*) equity shares of Rs. 10 each fully paid up with voting rights)	366,500,000.00	366,500,000.00
TOTAL	<u>366,500,000.00</u>	<u>366,500,000.00</u>

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 31-03-2014	As at 31-03-2013
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the period	36,650,000	
Shares issued during the period	-	36,650,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	36,650,000	36,650,000

Shares in the company held by each shareholder holding more than 5 percent shares

Name of the shareholder	2013-2014		2012-2013	
	Number of shares held in the company	% of Holding	Number of shares held in the company	% of Holding
Container Corporation of India Ltd. (The Holding Company)	36,650,000	100	36,650,000	100



Navinder Prantner

CORCOR AIR LTD



NOTE 2. RESERVE & SURPLUS

	AS AT 31.03.2014	AS AT 31.03.2013
GENERAL RESERVE		
Opening Balance		
Add: Transfer from Profit & Loss Account		
STATEMENT OF PROFIT AND LOSS		
Opening Balance	566,441.00	
Add: Profit during the year	943,600.34	566,441.00
Less: Interim Dividend including Dividend Distribution Tax	-	
Less: Proposed Dividend including Dividend Distribution Tax	-	
Less: Transfer to General Reserve	1,549,131.34	566,441.00
TOTAL	1,549,131.34	566,441.00



Vanvannakone Rajenthan



NOTE 3: NON-CURRENT LIABILITIES

	AS AT 31.09.2014	AS AT 31.03.2013
LONG TERM BORROWINGS		
Loans & Advances from Related Parties		
Secured		
Unsecured	1,250,000,000.00	-
TOTAL	1,250,000,000.00	-

Notes:				
1. Details of terms of repayment for the long term borrowings				
Loans & Advances from related parties	Secured	Unsecured	Secured	Unsecured
Container Corporation of India Ltd.	-	1,250,000,000.00	-	-
2. Terms of repayment:				
Three years and six months from 18.03.2014				
3. Rate of Interest: 9.21% p.a				
4. The company has defaulted in repayment of interest in respect of the following				
Loans & Advances from related parties	Period of Default	Amt. in Rs.		
Container Corporation of India Ltd.	32 days (Weighted Average)	33,883,219.00	-	-
Note: The company has paid the overdue interest on April 30, 2014				

	AS AT 31.03.2014	AS AT 31.03.2013
OTHER LONG TERM LIABILITIES		
Other EMD & Security Deposits	4,014,219.00	-
LONG-TERM PROVISIONS		
Provision for Employee's Benefits	-	-
TOTAL	4,014,219.00	-



Manoj Kumar Rajakumar



NOTE 4: CURRENT LIABILITIES

	AS AT 31.03.2014		AS AT 31.03.2013	
TRADE PAYABLES				
- Micro & Small Enterprises (*)				
- Others	95,956,055.30	95,956,055.30		
OTHER CURRENT LIABILITIES				
Interest Accrued & Due on Borrowing	43,080,984.00			
Others payable				
Advances/Deposits from Customers	30,576,095.38			
Unclaimed Dividend (**)				
Bank Overdraft (***)	5,341,785.31		1,214,075.00	1,214,075.00
Statutory Remittances	12,488,039.27			
Stundry Creditors-Capital	12,737,839.36			
Micro & Small Enterprises				
Contractually Reimbursable expenses	15,000,000.00			
Others		125,804,742.43		
SHORT-TERM PROVISIONS				
Proposed Final Dividend				
Corporate Dividend Tax				
Provision for IT	725,000.00		310,695.00	
Corporate Social Responsibility		725,000.00		310,695.00
TOTAL		222,505,797.72		1,524,770.00

(*) The Company has not received any information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date and therefore no such disclosures under the said Act have been made.

(**) Book overdraft represents cheques issued by the company pending clearance against the bank/other deposits with the banks.



Mansukh Rajesh Kumar

NOTE 8
FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at 01.04.2013	Additional (Deductions)	from CONCOR	As at 31.03.2014	Up to 31.03.2013	For the year (Adjustments)	from CONCOR	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS										
AIR CONDITIONERS		172,898		172,898		2,403		2,403	170,495	-
MOBILE HAND SET		15,852		15,852		9,178		9,178	6,674	
FURNITURE & FIXTURES		738,280	43,808	782,188		936	41,713	50,939	731,249	
OFFICE EQUIPMENTS		27,888		27,888		8,548		8,548	19,340	
COMPUTERS- HARDWARE		409,958	104,892	514,850		28,167	81,903	80,168	434,682	
LEASEHOLD IMPROVEMENTS		258,744		258,744		64,131		64,131	194,613	-
TOTAL (A)		1,621,168	148,600	1,769,768		121,883	123,716	204,408	1,565,360	-
INTANGIBLE ASSETS										
COMPUTER SOFTWARE		54,000		54,000		917		917	53,083	
TERMINAL RIGHTS- DOMESTIC	17,143,881			17,143,881		1,370,571		1,370,571	15,773,310	17,143,881
TERMINAL RIGHTS- INTERNATIONAL		25,735,000		25,735,000		987,098		987,098	24,747,902	
TOTAL (B)	17,143,881	25,789,000	-	42,932,881	-	2,358,666	-	2,358,666	40,574,207	17,143,881
GRAND TOTAL (A+B)	17,143,881	27,412,198	148,600	44,702,577	-	2,480,277	123,716	2,562,982	42,139,855	17,143,881
CAPITAL WORK IN PROGRESS	1,112,530	34241900		35,354,130					35,354,130	1,112,530
TOTAL (C)	1,112,530	34,241,900	-	35,354,130	-	-	-	-	35,354,130	1,112,530
GRAND										
TOTAL (A+B+C)	18,256,411	61,654,198	148,600	80,056,807	-	2,480,277	123,716	2,562,982	77,493,815	18,256,411

Note 1. Terminal Rights including following expenses (Domestic)	₹
Stamp Duty paid on Concession Agreement, Ward Space License Agreement, and Land	11,933,551
Concessional Award Cost	5,000,000
RFP Participation Fees	100,000
Professional fees for RFP Preparation	110,300
Total	17,143,851

Note 2. Terminal Rights including following expenses (International)	₹
Assets Valuation Fees	190,000
Bid Development Cost	15,000,000
Stamp Duty	10,545,000
Total	25,735,000

Vasundhara Rajekumar
(23)





CONCOR AIR LTD

NOTE 7: OTHER NON-CURRENT ASSETS

	AS AT 31.03.2014	AS AT 31.03.2013
Interest accrued on deposits, loans and advances (Unsecured, considered good)		
Interest accrued on loans and advances to employees (Secured, considered good)		
Other Bank Balances		
Bank balances held as margin money or as security against:		
- Guarantees		
Preliminary expenses not w/off		3,358,210.00
TOTAL	<u>0.00</u>	<u>3,358,210.00</u>



Manoj Kumar

Rajesh Kumar



CONCOR AIR LTD

NOTE 8: CURRENT ASSETS

	AS AT 31.03.2014		AS AT 31.03.2013	
INVENTORIES				
(As taken, valued & certified by the Management)				
Stores & Spare Parts (At Cost) (*)				
Less: Provision for Obsolete Stores				
TRADE RECEIVABLES				
Outstanding for period exceeding six months				
Unsecured Considered good				
Unsecured Considered doubtful				
Less: Allowance for doubtful debts				
Others				
Unsecured Considered good				
	79,982,477.91	79,982,477.91		
		79,982,477.91		
CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Cash on hand (including imprest)				
		6,410.00		
Bank Balances				
- in Current Accounts				
	152,529,667.33		590,599.00	
- in Deposits with original maturity upto 3 months				
	49,441,388.00	232,973,055.33	145,945,834.00	146,446,833.00
Other Bank Balances				
-Bank Deposits				
- With original maturity of more than 3 months and upto 12 months				
		100,000,000.00		150,000,000.00
- With original maturity of more than 12 months				
Earmarked Bank Balances				
- Unpaid dividend bank account				
Bank Balances held as margin money or as security against:				
- Guarantees				
- Letters of Credit				
		332,979,465.33		296,446,833.00
Short term loans and advances				
LOANS & ADVANCES TO RELATED PARTIES				
Advance to Holding Company(Unsecured, considered good)				
		567,096.00		
Prepaid Expenses (Unsecured considered good)				
		275,653.00		
Other advances recoverable in cash or in kind or for value to be received (***)				
-Unsecured considered good				
			47.00	
-Unsecured considered doubtful				
			47.00	
Less: Allowance for doubtful advances				
				47.00
Deposits (Unsecured)				
Govt. Authorities (Considered good)				
Others (Unsecured Considered Good)				
Balance with Govt Authorities				
		36,534,731.55		
Advance Income Tax/TDS (Net of Provisions)				
		11,878,201.22		104,630.00
		39,072,580.77		104,677.00
OTHER CURRENT ASSETS				
Accounts				
Interest accrued on Trade Receivables				
	730,174.00			
Interest accrued on deposits, loans and advances (Unsecured, -				
	548,365.85	1,276,159.85		425,380.00
Doubtful revenue				
		12,990,519.29		
Others (Service tax recoverable on unbilled revenue)				
		361,830.00		
Interest accrued on loans and advances to Employees (Secured, considered good)				
Total (a) to (e)		466,666,178.15		296,976,590.00

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CONCOR AIR LTD

NOTE 9: REVENUE FROM OPERATIONS

	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
Domestic Cargo Terminal Revenue	145,370,620.03	
International Cargo Terminal Revenue	243,089,777.39	
Other Operating Income		
- Prior Period(**)		
- Excess Provision Written Back (***)		
- Others		
TOTAL	388,460,397.42	



Varinder Rajendra



CONCOR AIR LTD

NOTE 10: OTHER INCOME

	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
INTEREST EARNED ON:		
Short Term Bank Deposits /ICDs	23,781,849.11	1,005,487.00
(TDS Rs. 23,78,1845 Previous Year: Rs.1.04,630.00)		
Overdue Trade Receivables	2,040,946.42	
OTHER NON-OPERATING INCOME		
Profit on Sale of Fixed Assets	-	
Excess provision written back (*)	33,719.00	
Profit From Sale of Investment	-	
Exchange Variation -Gain	-	
Prior Period Income (**)	-	
Miscellaneous Income	8,429.00	
Share in Profit of Business Arrangement (***)	-	
TOTAL	25,864,943.53	1,005,487.00

(*) Excess Provision written back include:

	2013-14	2012-13
i) Salary arrears	0	0
ii) Others	33,719	0
TOTAL	33719	0



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CONCOR AIR LTD

NOTE 11: TERMINAL & OTHER SERVICE CHARGES

	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
Revenue share	232,896,285.17	-
Handling Expenses	48,461,718.80	-
Other Operating Expenses		-
-Prior period (**)		-
-Others(****)		-
TOTAL	281,358,003.97	-



Vandana

Rajendra



CONCOR AIR LTD

NOTE 12: EMPLOYEE BENEFITS EXPENSE

	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
Salary, Allowances & Other Employee Benefits	9,387,149.00	-
Contribution to PF, PPF, ESI & Labour Welfare Fund	-	-
Rent for Leased Accommodation (Net)	-	-
Employee Welfare & Medical	55,627.00	-
Gratuity	-	-
Staff Training	-	-
TOTAL	9,442,776.00	-

Note: This cost represents cost of staff accorded from the holding company.

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Rajesh Kumar



**CONCOR AIR LTD****NOTE 13: OTHER EXPENSES**

	YEAR ENDED 31.03.2014		YEAR ENDED 31.03.2013
Printing & Stationery		2,155,277.00	5,846.00
Traveling and Conveyance		-	35,000.00
Rent and License fee for office building		2,069,475.00	
Electricity & Water		8,017,145.00	
Repairs & Maintenance :			
-Buildings	3,014,389.00		
-Plant & Machinery	4,765,622.67		
-Others	389,779.00	8,169,790.67	
Security Expenses		17,128,589.76	
Vehicle Running & Maintenance Expenses		1,320,166.00	
Postage, Telephone & Internet		82,248.97	1,004.00
Books & Periodicals		1,580.00	1,035.00
Bank Charges		3,407.54	238.00
Legal & Professional Charges		725,155.00	49,765.00
IT expenses		1,027,820.00	
Insurance		341,591.00	
Auditors' Remuneration			
-Audit Fee	90,000.00		28,090.00
-Tax Audit Fee	30,000.00		
-Other services			
-Out of Pocket	377,203.88	497,203.88	28,090.00
Rates & Taxes		3,311,707.00	
Data Entry Staff cost		2,838,524.80	
Miscellaneous Expenses		135,342.00	7,373.00
MIAL staff cost		14,492,533.00	
Prior Period Expenses(**)		3,358,210.00	
TOTAL		65,675,766.62	128,351.00

() Prior period expenditure include:**

	2013-2014	2012-2013
Rebate Expenses	-	0
Legal & Professional	-	0
Repair & Maintenance	-	0
Depreciation	-	0
Others (Preliminary Expenses W/Off)	3,358,210.00	0
Total (B)	3,358,210.00	0



Varinder Rajinder



CONCOR AIR LTD

NOTE 14 :-FINANCE Expenses

	AS AT 31.03.2014	AS AT 31.03.2013
Interest Expense on:		
(i) Borrowings from Holding company	54,089,982.00	-
TOTAL	54,089,982.00	-

Vasundhara Dy. Director



**NOTE 15
SIGNIFICANT ACCOUNTING POLICIES**

A. Accounting Convention and Concepts:

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with the applicable mandatory Accounting Standards and relevant presentation requirements of the Companies Act 1956. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principles. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year except for the change in accounting policy for accounting of preliminary expenses which have been written off during the F.Y. 2013-14 in accordance with the accounting treatment stated in AS-26 on "Intangibles Assets".

B. Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires Management to make estimates and assumptions considered in reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses of the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results may be differ due to these estimates and the difference between actual results and the estimates are recognized in the period in which they are known/ materialize.

C. Fixed Assets and Capital Work in Progress:

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost of acquisition is net of interest on capital advances and duty credits and is inclusive of freight, duties, taxes and other incidental expenses. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalization is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalization of claim. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized. Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date. Advances paid to acquire fixed assets are shown as part of "Long Term Loans & Advances".

D. Intangible Assets

Software:

Expenditure on Computer Software which is not an integral part of hardware is capitalized as an Intangible Asset. The cost of software includes license fee and implementation cost and is capitalized in the year of its implementation. Software is amortized over five years.

Terminal rights:

Expenditure on acquisition of concession right to construct, operate, maintain and develop an air cargo terminal incurred by way of stamp duty, registration fees, project bidding cost etc. is capitalized as an Intangible asset. It is amortized over the term of concession from the date of handing over of the facility(s).

E. Borrowing costs:

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of such assets and all other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

F. Depreciation:

- i. Depreciation on Tangible Fixed Assets is provided on "Straight Line Method" at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- ii. Leasehold Improvement carried out on Leasehold Building are amortized over the period of Lease.

G. Cash and cash equivalents (For the purpose of cash flow):

Cash comprises cash on hand and deposits with banks.

H. Cash flow statements:



Harmandan Rajantara

Cash flows are reported using indirect method, whereby profit/loss before extraordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from investing, operating and financing activities of the Company are segregated based on the available information.

G. Retirement Benefits:

No provision has been made for the current financial year as there are no employees on the payroll of the company. The Staff working under the Company has been seconded by the Parent Company-Container Corporation of India Limited and some staff is working on deputation from MIAL. The provision for retirement benefits is made in the books of Parent company.

I. Income from Operations (Terminal and Other Service charges):

TSP income and related expenses are accounted for at the time of delivery of the cargo from the terminal. X-ray Income and warehousing income are accounted for after completion of screening and on receipt at the time of release of cargo respectively on 'completed service contract method'.

J. Other Income

Interest income is accounted on accrual basis.

K. Claims/Counter-claims/Penalties/Awards

"Claims/counter-claims/penalties/awards are accounted for in the year of its settlement".

L. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized in respect of obligations where, based on the evidence available, their existence on the balance sheet date is considered probable.

Contingent liabilities are determined on the basis of available information. These liabilities are not provided for, and are being disclosed by way of notes to accounts.

Contingent assets are not recognized in the accounts.

M. Taxes on Income:

i) Provision for current tax is made in accordance with the provisions of the Income tax Act, 1961. Disputed income tax liabilities are accounted for on the finalization of assessments.

ii) Accounting for deferred tax is done As per Accounting Standard '22' Taxes on Income' issued by the Institute of Chartered Accountants of India.

N. Impairment of assets:

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

NOTES FORMING PART OF ACCOUNTS

NOTE 16 Corporate information

CONCOR Air Ltd, is a wholly owned subsidiary of Container Corporation of India Ltd., a mini Navratna PSU under Ministry of railways. CONCOR Air Ltd. is a SPV created to undertake project on BOT basis for construction and operation of Domestic Air Cargo Terminal at Santacruz, Mumbai airport in terms of RFP issued by MIAL, Mumbai International Airport Pvt.Ltd., MIAL has entered into an Operations, Management and Development Agreement with Airport Authority of India dated April 4,2006 to operate, manage, develop and perform services relating to cargo handling and provision of cargo terminals at the Chhatrapati Shivaji International Airport, Mumbai and to contract with third parties to undertake the functions of MIAL. CONCOR Air Ltd. has been awarded the contract to undertake project on BOT basis vide agreement dated February 18,2013 for construction and operation of Domestic Air Cargo Terminal at Santacruz, Mumbai. The total estimated project cost is Rs.40 Crores and whole amount will be contributed by Container Corporation of India Ltd. through equity infusion. The Domestic Operation has been taken w.e.f. 01.05.2013.

NOTE 17 The company during the year also entered into an concession agreement with MIAL for taking over the handling, Operation and Maintenance (except for some facilities under other concession Air India and other concessioners working with MIAL) of International Air Cargo Terminal at Air Cargo Complex, Sahar, Mumbai from MIAL. The concession agreement is for the period of three years and the international cargo facilities were from 18.02.2014.

Navinder Rajinder

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CONCOR AIR LTD.
NEW DELHI

NOTES FORMING PARTS OF ACCOUNTS (Contd...)

NOTE 18 Contingent Liabilities

The company has contingent liability of approximately Rs.96 Lacs towards probable differential payment of stamp duty of SACTI (satishgar Air Cargo Terminal) License agreement which is under adjudication process. Previous Year (Rs. Nil)

NOTE 19 Other Commitments:

In the opinion of the management of the company there is no "Other Commitments" that warrant disclosure in financial statements except the following:

Particulars	As on 31.3.2014 (Rs.)	As on 31.3.2013
Estimated Amount of Contracts remaining to be executed on Capital Account (net of Advances and not provided for)	211,077,981	2,002,685

NOTE 20 Deferred Tax (Liability)/asset:

Particulars	As on 31.3.2014 (Rs.)	As on 31.3.2013 (Rs.)
<u>Tax effect of items constituting deferred tax liability:</u>	-	-
on Difference between book balance and tax balance of fixed assets	(1,647,264.00)	-
Tax effect of items constituting deferred tax liability	(1,647,264.00)	-
<u>Tax effect of items constituting deferred tax Assets:</u>	-	-
Disallowances under Income Tax Act 1961 constituting timing difference	2,036,418.00	-
Tax effect of items constituting deferred tax Assets	2,036,418.00	-
Net Deferred Tax Liability/Asset	389,154.00	-

NOTE 21 The company has sought confirmation of balances of receivables, payables and advances from parties which is still awaited. The Sundry Debtors and creditors account are subject to reconciliation and confirmation.

NOTE 22 Expenditure in Foreign Currencies:

Particulars	2013-14 (Rs.)	2012-13 (Rs.)
	Nil	Nil

NOTE 23 Provisions relating to disclosure of information as required by sub-clauses (a), (b), (c) & (d) of clause 5 of Part - II of Schedule VI to the Companies Act, 1956 are not applicable as the company has neither manufacturing nor trading activity.

NOTE 24 The information required under AS-18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, is as under:



A. Parent Company

Container Corporation of India Ltd.

Transactions relating to parties referred to (a) above are:

Particulars	2013-2014	2012-2013
Payment of pre incorporation and post incorporation of expenses		28,508,533
Expenses/ payments/bid development for made by parent company on behalf of Subsidiary	18,175,535	
Staff introduction cost contributed to parent company	10,106,120	
Fixed Assets transferred to Subsidiary	47,884	
Tender sale amount - recovered	103,241	
Carried money deposits/contractors- Recoverable	1,093,000	
Long Term Loan from CONCOR	1,250,000,000	
Interest accrued & Due on Loan	55,683,514	
Period Interest on loan from CONCOR	206,763	
Balance payable as on 31st March 2014	14,432,904	403,430.00





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As per the requirement under the concession agreement entered into with MEAL, (Mumbai International Airport Pvt Ltd.), Container Corporation of India Ltd. has given a Performance Security by way of Bank Guarantee of Rs.15 Crores in favour of MEAL and the said Bank Guarantee is valid till 17.08.2015 on behalf of CONCOR AIR LHM Previous year Rs. 15 Crore)

Key Managerial persons.

- B. i) Sh. Anil Kumar Gupta- Chairman
 ii) Sh. Yashvardhan-Director
 iii) Smt. P. Alliliani-Director
 iv) Sh. Deepak Kapoor-Director
 v) Sh. Anandumar Shrivastava-Director
 vi) Sh. Shrinivas Madgarikar-Director

The information required under AS-19 'Leases' issued by the Institute of Chartered Accountants of India, is as under:

NOTE 25 The total of future minimum lease payments under non cancellable operating leases for each of the following periods:

Particulars	2013-14 (Rs.)	2012-13 (Rs.)
Not later than one year	5,909,740	2,069,375.00
Later than one year and not later than five years	174,191,961	102,891,744.00
later than five years	201,629,285	179,824,108.00

The payment of license fees for lease of SACT (Sarnia Air Cargo Terminal) will start from its scheduled commissioning date i.e. 24 months from the date of agreement (Feb-18,2013). The payment for Marsi Space lease will start from the date of handover of the facility which is assumed to be from May 1, 2013

NOTE 26 The Previous year's figures have been recast / regrouped / rearranged, wherever considered necessary, to conform to this year's

NOTE 27 Segment reporting is attached separately.

On behalf of CONCOR AIR LHM


 (P. Alliliani)
 Director

 Rajesh Kumar
 Company Secretary
 Date: 15.08.2014
 Place: New Delhi


 (Yashvardhan)
 Director

 S.K. Vasudevan
 Sr. Manager (Finance)

As per our report of even date
 For M L Garg & Co.
 Chartered Accountants
 Firm Regn no. 01604N

 (Manish K Garg)
 PARTNER
 M.No. 096230


CONCOR AIR LTD.

Segment Reporting

The information required under AS-17 'Segment Reporting' issued by the Institute of Chartered Accountants of India, is as under:
 Primary Segments: The parent company, Concor Corporation of India is engaged in AS-Basis basis into major operating divisions-EXM and Domestic. The divisions are the basis on which the segment reports are primary segment information. Both EXM and Domestic divisions of the company are engaged in handling, transportation and warehousing activities. Segment revenue and expenses directly attributable to EXM and Domestic segments are allocated to the two segments. Joint revenue and expenses have been allocated on a reasonable basis. Segment assets include all operating assets used by a segment and consist principally of inventories, readily depreciable, cash and bank balances, lease and advances, other current assets and fixed assets net of provisions. Similarly, segment liabilities include all operating liabilities and consist principally of sundry creditors, advances from customers, other liabilities and provisions. Negative assets and liabilities do not, however, include provisions for assets. Joint assets and liabilities have been allocated to segments on a reasonable basis.

THE INFORMATION ABOUT BUSINESS SEGMENTS ON PRIMARY REPORTING FORMAT IS AS UNDER.

Particulars	Segment				Total
	EXM	Domestic	Unallocated	2013-2014	
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
Revenue	309,080,977	245,370,649	-	388,651,981	-
Segment assets	25,026,076	21,891,839	-	92,289,381	10,743,102
Intangible assets	-	-	-	-	-
Operating Profit (excluding interest income & expense)	21,114,076	22,856,810	-	51,891,793	1,116,211
Interest Expense	58,000,000	-	-	54,289,981	-
Finance Income	81,292	25,874,363	-	25,864,363	3,053,487
Tax Expense	-	-	332,879	-	332,879
After interest Expenses	-	-	3,338,219	-	3,338,219
Net Profit	146,076,646	96,771,313	871,336	1,238,219	106,648
Segment assets	3,303,244,532	923,515,295	308,337,212	1,344,566,140	448,393,111
Intangible assets	-	-	-	-	-
Total assets	3,303,244,532	923,515,295	308,337,212	1,344,566,140	448,393,111
Segment liabilities	1,416,963,116	19,719,897	8,324,739	1,455,007,752	2,349,779
Intangible liabilities	-	-	-	-	-
Total liabilities	1,416,963,116	19,719,897	8,324,739	1,455,007,752	2,349,779
Other information	-	-	-	-	-
Capital expenditure	24,885,750.82	313,905,002	18,254,411.99	27,455,164.81	37,143,882
Impairment and extinguishment of financial assets	988,075.81	1,462,311.00	-	2,450,386.81	-
Other details	-	-	-	-	-

Inter Period Adjustments have not been considered as related to any segment.
 Secondary Segments: As the operations of the Company are presently confined to the Geographical territories of India, there are no reportable secondary segments.

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Wanshara
 Rajasthan



INDEPENDENT AUDITORS REPORT

To
The Members of
CONCOR AIR LIMITED

Report on the Financial Statements

We have audited the Financial Statements of CONCOR AIR LIMITED ("the company") which comprises the Balance Sheet as at March 31, 2014, and Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for preparation of these Financial Statements that give true and fair view of the financial performance, financial position and cash flows of the company are prepared in accordance with the Accounting Standards referred in sub-section (3C) of section 211 of Companies Act 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in the terms of General Circular No. 15/2013 dated September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principal generally accepted in India. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation and presentation of Financial Statements that gives a true and fair view and is free from material misstatements, whether due to fraud and error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and

disclosures in the Financial Statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatements of Financial Statements, whether due to fraud and error. In making those risk assessment, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best to our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st march 2014;
- b) In case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Emphasis of matters

1. *We draw attention to the note No. 10 of statement of Profit and Loss regarding "other income", wherein interest on delayed payments from Trade receivables amounting to Rs. 20,40,946.00 has been accounted for on accrual basis, though such interest have not been received or confirmed by the sundry Debtors. The ultimate outcome of the above matter cannot presently be determined although the company is of the view that such amounts are recoverable and hence no provision is required there against. Our Opinion, however, is not qualified in respect of this matter.*



2. We invite attention to Note 4 "Current Liabilities" in Balance Sheet under head "Trade Payables" wherein the majority of expenses of International Cargo operations have been provided for in the books of account on the basis of the cost sheet prepared and the same is pending for verification and approval from the competent authority. The provisions and estimates have been considered on the basis of the cost sheet prepared and forwarded to corporate office. The risks of material differences, if any, cannot be determined. Our Opinion, however, is not qualified in respect of this matter.

Other Matters

1. We invite attention to the fact that the insurance cover for the international cargo operations has not been taken post takeover of the international cargo facility. The International Cargo operations appear to be at risk in absence of an appropriate insurance cover. Our Opinion, however, is not qualified in respect of this matter.
2. We further draw attention to fact that the common facility of International cargo complex facility is also used by other custodian and concessionaires. However, the Company is maintaining such common facility, though all revenue from such custodian and concessionaires are accruing to "Mumbai International Airport Private Limited", in accordance with the concession agreement. The Company is in process of verifying such expenses for apportionment and recovery, and hence no impact is considered necessary in the accounts of the company. Our Opinion, however, is not qualified in respect of this matter.

Report On Other Legal And Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in the para 4 and 5 of the Order.
2. As required by the section 227 we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and beliefs were necessary for the purpose our audit;

- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- bb) As the Company is not having any branch, the reporting requirements of this clause are not applicable.
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with this report.
- d) In our opinion The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Subsection (3C) of section 211 of Companies Act, 1956; (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
- e) In terms of Department of Company Affairs GSR 829 (E) dated 21st October 2003, Government Companies are exempt from applicability of provisions of Section 274 (1) (g) of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For M.L Garg & Co.

Chartered Accountants

Firm Registration Number: 001604N

Manish K Garg

(Manish K Garg, FCA)

Partner

M.No. 096238

PLACE: New Delhi

DATED: 15/05/2014.



ANNEXURE TO AUDITOR'S REPORT

The annexure referred to in paragraph 1 under the heading of "Report On Other Legal And Regulatory Requirements" of our report to the members of **CONCOR AIR LIMITED**

4(i)(a) The company has generally maintained proper records showing full particulars, including quantitative details and situations of its fixed assets.

4(i)(b) As per the information & explanation given to us, the fixed assets have been physically verified by the management at the end of the year, which in our opinion is reasonable having regards to the size of the company & nature of fixed assets. No discrepancies were noticed on such verification.

4(i)(c) The company has not disposed off any of its fixed assets during the year.

4(ii)(a) The company does not have any stock in trade during the period under audit.

(b) to

(c) Not applicable in view of Para (a) above.

4(iii)(a) According to information & explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of The Companies Act, 1956.

(b) to

(d) Not applicable in view of Para (a) above.

(e) The company has taken long term unsecured loan from a company covered in the register maintained under section 301 of The Companies Act, 1956. The details are as follows:

Number of parties.	1
Amount received from Holding Company	Rs. 125Crores.
Maximum balance outstanding at any time during the year	Rs. 125 crores

(f) In our opinion and according to information and explanation given to us the rate of

Interest and other terms and conditions of loan is prima-facie not prejudicial to the interest of the company.

(g) *The company is not regular in paying the interest on the loan to holding company, as per the terms of loan agreement. The overdue interest payable is Rs. 4,84,94,897.00(net of TDS deducted) as on 31.03.2014.*

4(iv) In our opinion & according to the information & explanation given to us, there are adequate internal control systems commensurate with the size of the company & the nature of its business with regards to the purchase of fixed assets & for the sale of services.

4(v)(a) According to the information & explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under section 301 of the Act.

4(v)(b) In our opinion and according to information and explanation given to us the rate of interest in relation to transaction of loan given by the holding company is reasonable having regard to the prevailing rates at the relevant time.

4(vi) The company has not accepted any deposits from public in terms of section 58A & 58AA & other relevant provisions of The Companies Act, 1956.

4(vii) In our opinion, the company has an internal audit system, which generally is commensurate with the size & nature of its business.

4(viii) As informed to us, the central government has not prescribed maintenance of cost records under section 209(1)(d) of The Companies Act, 1956, in respect of the business of the company.

4(ix)(a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information & explanation given to us, there is no undisputed amount payable in respect of outstanding statutory dues that were in arrears, as at 31st March, 2014 for a period of more than six months from the date they become payable.

4(ix)(b) According to the information & explanation given to us, there is no disputed Statutory dues payable, as at 31st March, 2014.

4(x) As the company has been registered for the period less than five years, this clause is not applicable.

4(xi) As the company has not taken any loans from financial institutions or banks & there are no debenture holders in the company, this clause is not applicable.

4(xii) The company has not granted loans and advances on the basis of securities by the way of pledge of shares, debentures and other securities.

4(xiii) In our opinion, the company is not a chit fund company or a nidhi mutual benefit fund/society.

4(xiv) In our opinion and according to the information & explanation given to us, the company is not dealing in shares, securities & other investments.

4(xv) In our opinion and according to the information & explanation given to us, the company has not given any guarantees for loans taken by others from financial institutions or banks.

4(xvi) During the year, the company has taken unsecured long term loan from holding company which has been applied for the purpose for which loan was obtained.

4(xvii) As the company has not raised any funds on short-term basis, this clause is not applicable.

4(xviii) The company during the year under audit has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of The Companies Act, 1956.

4(xix) The company has not issued any debentures during the year.

4(xx) As the company has not raised money by public issue during the year, this clause is not applicable.



4(xxi) As per the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For M.L Garg & Co.

Chartered Accountants

Firm Registration Number: 001604N

Manish K Garg


(Manish K Garg, FCA)

Partner

M.No. 096238

PLACE: New Delhi

DATED: 15/05/2014.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF CONCOR AIR LIMITED, NEW DELHI FOR THE YEAR ENDED 31 March 2014.

The preparation of financial statements of Concor Air Limited, New Delhi for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statement under Section 227 of the Companies Act, 1956 based on independent audit in accordance with auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 15 May 2014.

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 on the financial statements of Concor Air Limited, New Delhi for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of
The Comptroller and Auditor General of India

Place: New Delhi
Dated: 14.08.2014.

- sd -
(Dinesh Bhargav)
Principal Director of Audit(Railway Commercial)